

(13) Any other powers necessary for the Commission to carry out its responsibilities under this Chapter.

(b) ~~The Commission may adopt rules to carry out its duties and responsibilities under this Chapter. Article 3D of Chapter 147 of the General Statutes shall not apply to the Commission.~~"

SECTION 31.1.(g) If House Bill 1023, 2005 Regular Session, becomes law, then G.S. 18C-120(b)(3) and G.S. 18C-120(b)(6), as enacted by that act, read as rewritten:

"(b) The Director shall have the following powers and duties, under the supervision of the Commission:

...

(3) To set the salaries of all Commission employees, subject to the approval of the ~~Commission, and to employ all personnel of the~~ Commission. Except for the provisions of Articles 6 and 7 of Chapter 126 of the General Statutes, all employees of the Commission shall be exempt from the State Personnel Act.

...

(6) ~~To receive reports of alleged violations of the law relating to the operation of the Lottery and report those violations to the appropriate law enforcement authority. coordinate and collaborate with the~~ appropriate law enforcement authorities regarding investigations of violations of the laws relating to the operation of the Lottery and make reports to the Commission regarding those investigations.

...."

SECTION 31.1.(h) If House Bill 1023, 2005 Regular Session, becomes law, then G.S. 18C-121, as enacted by that act, reads as rewritten:

"§ 18C-121. **Accountability; books and records.**

The Director shall ~~make and keep~~ have made and kept books and records that accurately and completely reflect each day's transactions, including the distribution of tickets or shares to lottery game retailers, receipt of funds, prize claims, prizes paid directly by the Commission, expenses, and all other financial transactions involving lottery funds necessary to permit preparation of financial statements that conform with generally accepted accounting principles."

SECTION 31.1.(i) If House Bill 1023, 2005 Regular Session, becomes law, then G.S. 18C-122, as enacted by that act, reads as rewritten:

"§ 18C-122. **Independent audits.**

(a) At the beginning of each calendar year, the ~~Director-Commission~~ shall engage an independent firm experienced in security procedures, including computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the Commission and of the Lottery. At a minimum, such a security assessment should include a review of network vulnerability, application vulnerability, application code review, wireless security, security policy and processes, security/privacy program management, technology infrastructure and security controls, security organization and governance, and operational effectiveness.

(b) The portion of the security audit report containing the overall evaluation of the Commission and of lottery games in terms of each aspect of security shall be presented to the Commission, to the Governor, and to the General Assembly.

(c) The portion of the security audit report containing specific recommendations shall be confidential, shall be presented only to the Director and to the Commission, and